

OPEN WORLD PROGRAM  
**OPEN WORLD LEADERSHIP CENTER**  
**AT THE LIBRARY OF CONGRESS**

**2004 GRANT PROCEDURES – Lithuania, Ukraine, and Uzbekistan**

**Introduction**

The Open World Program enables emerging leaders from participating countries to gain firsthand exposure to the American system of democracy through visits to local governments and communities throughout the United States. The principles of accountability, transparency, and citizen involvement in government have always been among the concepts emphasized by Open World.

Open World grew out of the successful Russian Leadership Program (RLP) pilot projects administered by the Library of Congress in 1999–2001. The program is now implemented by the Open World Leadership Center (the Center), an independent entity housed in the U.S. legislative branch.

The success of the Open World Program's exchanges for Russian leaders led Congress in February 2003 to extend eligibility for participation to the 11 other Freedom Support Act countries and the Baltic republics (Public Law 108-7). After the Center's Board of Trustees approved pilot programs for Lithuania, Ukraine, and Uzbekistan in May 2003, the Center conducted an initial round of pilot exchanges with leaders from all three countries in December 2003–March 2004. In-depth participant surveys demonstrated a high level of satisfaction with the expansion pilots' professional programs and provided useful guidance for the second round of pilot exchanges scheduled for the second half of 2004.

The Center will provide grants for hosting delegations to approved organizations that support Open World's objectives (see below).

**This document contains the grant guidelines for three Open World programs:**

- **The Lithuania Civic Hosting Program**
- **The Ukraine Civic Hosting Program**
- **The Uzbekistan Civic Hosting Program**

**Grant applications are due COB Tuesday, July 6, 2004.**



## **2004 LITHUANIA, UKRAINE, AND UZBEKISTAN CIVIC HOSTING GRANT PROCEDURES**

### **Grants Overview**

The 2004 Lithuania, Ukraine, and Uzbekistan **Civic Hosting Programs** will focus on young political, civic, and economic leaders from the regional and local levels of these countries. Candidates for each Civic Hosting Program are nominated by in-country organizations and agencies and by U.S. and international agencies and organizations working in the target country. English-language ability is not required. Delegates come from a broad range of regions, ethnic groups, and political parties. Open World plans to host approximately 200 participants (delegates and facilitators<sup>1</sup>) in the 2004 pilot Civic Hosting Programs. The Lithuania and Uzbekistan programs will each have about 50 participants, the Ukraine program about 100.

Open World 2004 civic delegates and facilitators will be invited for 10-day exchanges in the United States. Homestays with American host families will again be an integral element of each pilot Civic Hosting Program.

### **Objectives**

Open World delegates include some of the target countries' most dynamic, highly educated young leaders, and host communities can benefit from their insights and suggestions. Each pilot program was designed to assure that the Open World delegates have the opportunity to:

- Exchange views with influential representatives of appropriate federal, state, and local government agencies; the business community; and civic organizations and other NGOs.
- Participate in community events, leading to an understanding of the role of community organizations' interactions with the government.
- Receive an overview of the relationships among:
  - a) the executive, legislative, and judicial branches of government;
  - b) the business and civic communities and government; and
  - c) individual citizens and government.

Through the Open World Program, the delegates should:

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<sup>1</sup> Facilitators are young citizens from the participating countries with excellent English skills and previous experience living in the United States. They will provide supplementary interpretation support, especially for meals and cultural events, along with facilitating logistical and cultural matters.



- Acquire an understanding of the important elements of American civil society, to be able to make comparisons with the civil society in their country.
- Acquire an understanding of governance and the rule of law in American society, including the concepts of accountability and transparency, the separation of powers, and the interrelationship of federal, state, and local governments.
- Develop an understanding of the free enterprise system in America.
- Acquire an understanding of the roles of American government, civic institutions, free enterprise, and voluntary organizations as they relate to the relevant Open World Civic Hosting Theme.
- Develop an appreciation of American culture.
- Interact with Americans and develop contacts and relationships that will generate enduring ties.

### Activity Focus

Every Open World delegation focuses on a specific theme during its U.S. visit. Open World has developed a different set of Civic Hosting Themes for each of the 2004 Civic Hosting Programs based on the participating countries' individual circumstances. Delegates will be selected on the basis of their activities and experience in one or more of the designated thematic areas. The Center's logistical contractor, American Councils for International Education, will match delegates with host communities and professional counterparts that are comparable to their own communities and official positions. The host community will ensure that the delegates gain firsthand experience of their American professional counterparts' daily work routines and offer a view of American life through homestays and community and cultural activities.

The delegates will prepare for their host-community experiences by attending a predeparture program in their home country and a two-day domestic orientation program conducted in Washington, D.C., or other urban area as deemed appropriate by the Center. If feasible, grantees will meet with their delegates and make brief presentations on their organizations during orientation. The domestic orientation program will include basic information on federal, state, and local government and their interrelationships; the balance of powers; and the rule of law; as well as presentations related to the particular focus theme. The delegates will also learn about American home life and practices to prepare them for their homestays, and will take part in cultural events.

Specific hosting dates have been designated for participant travel to the United States from each of the pilot countries. Grant applications should indicate whether hosts have been identified for the dates specified. **Please see the attached chart of hosting dates.**



**The Civic Hosting Themes for each country, with rationales, target groups and suggested activities, are given below.** All Open World hosts, regardless of country or theme, will be asked to make sure their delegations are exposed to the U.S. electoral process during their visit.

**I. LITHUANIA (50 participants total – 40 delegates and 10 facilitators for a total of 10 five-person delegations on one travel date)**

**1. Local Community Development**

***Rationale:*** The thoroughgoing democratic and economic reforms Lithuania has introduced at the national level since independence have yielded impressive results. Local community development was chosen as a subtheme as a way of assisting grassroots Lithuanian leaders in government, business, and the NGO sector to work together on a range of local issues including fundraising, economic and budget planning, public health, and social services.

***Target Group:*** County or regional government officials, mayors and city administrators, business leaders, and NGO activists.

***Possible Delegation Activities:*** Observe interactions among government authorities, NGOs, and businesses in a local setting. Learn how community and business leaders develop public-private partnerships to work together to improve social services, promote local business, and deal with other local issues. Observe functions of local governments as well as citizen participation in local decisions.

**2. Youth Issues**

***Rationale:*** Promoting youth initiatives, youth crime prevention, education, and the social integration of Lithuania's young people is crucial to civil society development. Despite its recent integration into the European Union, Lithuania still faces issues such as youth poverty and unemployment, and rising drug use and crime among youth. Unlike in the United States, youth policy in Lithuania concerns young people from ages 16 to 29. Participants in Open World's February 2004 program for Lithuania were especially interested in topics relevant to youth issues NGOs, including volunteerism, fundraising, education, and youth employment.

***Target Group:*** Regional and local policy-makers responsible for youth issues, youth leaders, school and youth center administrators, educators, and social service providers.

***Possible Delegation Activities:*** Explore U.S. federal, state, community and private youth programs, especially those promoting educational and career development, leadership skills, volunteerism, and healthy lifestyles. Visit schools and after-school centers. Important subjects to emphasize are education, substance abuse prevention, youth employment, fundraising, and mentoring.



### 3. Independent Media

**Rationale:** One of the key aspects of a free and democratic society is a vibrant and successful media. While Lithuania's media operates independently of the state, past Open World participants mentioned that issues relating to the freedom of speech and tensions between mass media and the government still exist. Journalists, public relations specialists, newspaper editors, and TV and radio directors have a strong interest in learning firsthand about media practices in the United States, especially regarding the business aspects of media.

**Target Group:** Owners and managers of newspapers and Internet news, radio, and TV stations; public relations specialists; leading journalists; and others involved in the media.

**Possible Delegation Activities:** Visit local and national media outlets. Observe the technical, production, and distribution procedures of media outlets. Sit in on editorial meetings with journalists and other media representatives.

### 4. NGO Development

**Rationale:** Lithuania has developed a significant NGO sector, but further work can be done to improve NGO administration, advocacy, and fundraising.

**Target Group:** Leaders and activists in NGOs focused on women's issues, civic education, environmental protection, agricultural and community development, or other issues. Government representatives at all levels responsible for coordinating activity with the nongovernmental sector.

**Possible Delegation Activities:** Observe firsthand how the nongovernmental sector works in the United States and how NGOs cooperate with the government and private sector. Visit successful NGOs, including interest/advocacy groups, to review fundraising techniques, financial management, public relations and outreach, staff recruitment and training, project management, and member relations. Attend city council meetings.

### 5. Entrepreneurship

**Rationale:** With integration into the European Union and the need to compete on the world market, Lithuania requires savvy entrepreneurs. In addition, the development of small and medium businesses and business associations will prove essential to further development of the economy. Lithuanian business leaders are also very interested in how to develop working relationships with local governments to attract investment and solve social problems.

**Target Group:** Small- and medium-sized business owners, trade and business association leaders, business managers.



**Possible Delegation Activities:** Visit small and medium enterprises, business clubs, business incubators, trade associations, and banks. Meet with chambers of commerce and government agencies that promote regional economic development.

**II. UKRAINE (100 participants total – 80 delegates and 20 facilitators for a total of 20 five-person delegations on two travel dates. Ten five-person delegations will travel on each date.)**

### **1. NGO Development**

**Rationale:** Ukraine has many dedicated NGO leaders working in a difficult environment. Further development of the NGO sector is vital to Ukraine's progress toward democracy. Professional exchanges can improve NGO leaders' administrative, advocacy, and fundraising skills.

**Target Group:** NGO leaders and others supporting volunteerism and community activism in such areas as human rights, environmental protection, and government accountability. Government representatives at all levels responsible for coordinating activity with the nongovernmental sector. Leaders of well-respected advocacy organizations.

**Possible Delegation Activities:** Observe firsthand how the nongovernmental sector works in the United States and how NGOs cooperate with the government, the private sector, their local communities, and each other. Visit successful NGOs, including interest/advocacy groups, and examine NGO fundraising activities, member recruitment, public relations and other outreach efforts, and overall program and financial management methods.

### **2. Electoral Processes**

**Rationale:** Ukraine's 2004 presidential election will demonstrate the commitment of Ukraine to democratic reform. All indications are that the presidential administration is attempting to use many state resources to influence the upcoming presidential election. Election procedures and the resolution of electoral disputes are key issues in the forthcoming Ukrainian elections. In recognition that 2004 is also a presidential election year in the United States, Open World plans to host in this timely theme. Furthering democratic electoral processes in Ukraine is critical to ensuring that all spheres of society have a voice in how they are governed and how public resources are managed.

**Target Group:** Election officials, journalists who cover elections and campaign finance, politicians, and leaders of nongovernmental organizations that conduct polls and monitor elections.

**Possible Delegation Activities:** Observe the role that the media plays in reporting on the electoral process, discuss relevant election laws and their implementation, and examine



campaign finance practices. Learn about how election disputes are resolved. Observe campaign work and explore the vital role of the press as a political watchdog.

### **3. Independent Media**

**Rationale:** One of the key aspects of a democratic society is a free and open press. Members of the Ukrainian media would benefit greatly from exposure to journalistic practices in the United States, including the business aspects of media. Also, investigative journalism in Ukraine has been severely restricted in the past few years and investigative journalists have been working in difficult conditions. Exposure to America's unfettered and vibrant press can serve as an inspiration for the continuation of tough investigative reporting practices.

**Target Group:** Leading independent journalists, other media professionals, NGO representatives working/advocating for a more independent media, and owners and managers of media outlets.

**Possible Delegation Activities:** Visit national and local media outlets. Observe the technical, production and distribution procedures of media outlets. Exchange ideas with journalists and other media representatives. Engage in roundtables on the role of media in a free society. Observe editorial meetings. Discuss the business aspects of journalism with owners and managers of media outlets. Meet with professional associations and organizations for journalists and media professionals.

### **4. Rule of Law**

**Rationale:** Although progress has been made in recent years toward establishing the legal basis for an independent judiciary, clear hurdles still remain to separating the judicial branch from the executive branch. Concepts like judicial independence, a true adversarial process, and equal protection under the law for all are still nascent in Ukraine. An Open World exchange program with Ukraine in the field of rule of law would allow leading members of the Ukrainian judiciary to examine judicial practices in the United States.

**Target Group:** Judges, judicial administrators, lawyers, and law professors.

**Possible Delegation Activities:** Delegates will focus on exploring U.S. approaches to: court proceedings, the jury-trial process, the adversarial system, plea bargaining, alternative dispute resolution, and law enforcement and corrections practices. Delegates should learn about the U.S. judicial system and the role of rule of law in American society through onsite observation, roundtables, and other hands-on or interactive activities. Delegates should have in-depth discussions and meetings with their U.S. counterparts and other leading legal professionals on the topics of judicial ethics, juvenile justice, legislation and the law, and legal/judicial training.



### **III. UZBEKISTAN (50 participants total – 40 delegates and 10 facilitators for a total of 10 five-person delegations on one travel date)**

#### **1. Economic Development**

**Rationale:** Reform and development of Uzbekistan's economic sectors will be key to the country's long-term stability. Dynamic economic growth and profitable businesses are crucial to improving the standard of living in Uzbekistan's highly populated rural areas. Assisting Uzbekistan's women entrepreneurs will be another focus of the Open World Program in Uzbekistan.

**Target Group:** Economic policy-makers at all levels of government; women entrepreneurs; small- and medium-sized business leaders demonstrating innovative ideas and strong business skills, especially from poor or rural areas; leaders of organizations that seek to support small- and medium-sized business growth.

**Possible Delegation Activities:** Visit successful enterprises and learn about sources of investment capital. Tour business incubators. Meet with government agencies that work on local economic development policies. Hold Q-and-A sessions with leading businesspeople in the community. Meet with businesswomen's associations or other business support associations.

#### **2. Independent Media**

**Rationale:** One of the key aspects of a free and democratic society is a vibrant and successful media. The media in Uzbekistan still suffers from a lack of independence from governmental entities. This sector of society in Uzbekistan would benefit greatly from exposure to independent journalistic practices in the United States, including the business aspects of media.

**Target Group:** Leading newspaper, radio, or TV journalists; professionals working/advocating for a more independent media; owners and managers of media outlets; and others involved in the media.

**Possible Delegation Activities:** Visit leading national and local media outlets. Observe the technical, production, and distribution procedures of media outlets. Exchange ideas with American journalists and others at meetings and roundtables.

#### **3. Health**

**Rationale:** Access to appropriate health care and a functioning health care delivery system are fundamental elements of a civil society. Health care is critically weak in Uzbekistan at present, with tuberculosis, HIV/AIDs, drug addiction, and other problems on the rise. Open World will emphasize programs that take a community-based approach to help health services respond to community needs. Rural health topics, nursing, and mother/childcare issues may be additional focuses for the 2004 program.



**Target Group:** Public policy-makers and key elected officials responsible for health care policy (with an emphasis on regional and local executive-level officials); health care providers, including nurses; educators; and leaders of NGOs that provide services to or advocate for the medical needy.

**Possible Delegation Activities:** Visit health care facilities, emphasizing outreach to and treatment of patients; meet with staff of community-based programs addressing substance abuse and TB issues.

#### **4. Rule of Law**

**Rationale:** While the Uzbek constitution guarantees an independent judiciary, in reality, the court system is structured much as it was in the Soviet era, with the general jurisdiction courts (except the Supreme Court) administered by the Ministry of Justice in the executive branch. Lack of reform, corruption, and inadequate working conditions for judges hinder progress toward a truly independent judicial branch. Open World believes that a rule of law component for Uzbekistan that fosters the development of sister-court relationships and that works with legal professionals, government officials, and academics will contribute to judicial reform in Uzbekistan.

**Target Group:** Judges, judicial administrators, lawyers, law professors, and others.

**Possible Delegation Activities:** Explore U.S. approaches to: court proceedings, the jury-trial process, the adversarial system, plea bargaining, alternative dispute resolution, and law enforcement and corrections practices. Learn about the U.S. judicial system and the role of rule of law in society. Hold in-depth discussions and meetings with leading U.S. legal professionals on the topics of judicial ethics, juvenile justice, legislation and the law, and legal/judicial training.

#### **Eligibility for an Open World Grant**

Any U.S.-based organization with either established foreign visitor programs or demonstrated ability to host foreign visitors is eligible. Eligible organizations must demonstrate experience and expertise in the Civic Hosting Themes for which they are applying and/or establish cooperative agreements with expert local host organizations.<sup>2</sup>

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<sup>2</sup> Local host organizations for past Open World exchanges have included local affiliates of grantee organizations; colleges and university-based centers; and civic associations.



## Grantee Requirements

Successful grantee organizations will be responsible for eight days<sup>3</sup> and eight nights of programming (including one weekend) for groups of approximately four delegates and one facilitator arriving in the United States between July 15 and December 15, 2004, usually on Wednesdays or Thursdays, with arrivals in host communities on Fridays and Saturdays. Grantee organizations will be expected to successfully complete and/or oversee the following programmatic and administrative activities:

- Recruit and select local host organizations and families. The local host organizations must demonstrate expertise in, and programming resources for, the Civic Hosting Themes selected by the grant applicant.
- Be responsible for effective implementation of individual programs developed by local host organizations.
- Participate, either in person or via telephone conference, in coordination meetings in Washington, D.C., with representatives of the Center and/or representatives of American Councils, the Center's logistical contractor.
- Submit required evaluative reports, including final reports from host communities and the grantee final report, by scheduled deadlines.
- Report on the expenditure of grant funds as required below (forms will be furnished to grantee organizations by the Center).
- Adhere to federal income tax regulations.
- Assist the Center or designated Center contractor in coordinating press outreach with local host organizations.

Grantees are responsible for assuring that they or the local host organizations will:

- Provide local transportation during participants' visits, beginning with pickup at the U.S. final destination airport and ending with delivery to the departure airport. Taking public transportation to professional activities is only allowed if the participants are accompanied by a local escort, and the local host organization must notify American Councils and the grantee in advance of any such plans.
- Provide a suitable homestay placement for each delegate for eight days, including one weekend. **Homestays are a centerpiece of the Open World experience and a major factor in grant application evaluations.** The Center will consider

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<sup>3</sup> The Center will consider proposals that contain different provisions (for the length of stay, size of delegations, arrival day, etc.) than those outlined here, if needed to deliver quality programming.



proposals that include hotel or other paid accommodations under special circumstances, but priority will be given to proposals providing for homestays.

- Provide a homestay placement for the facilitator.
- Provide professional and adjunct interpretation for issue-oriented program activities in the primary language(s) of the participants' home country (Lithuanian for Lithuania; Russian and Ukrainian for Ukraine; and Russian and Uzbek for Uzbekistan). **The Center requires high-quality professional interpretation for Open World delegations and recognizes that this affects budgets.** Interpreters who are certified by the U.S. Department of State or an official interpretation agency are preferred.
- Prepare an eight-day program for each participant group that reflects the selected Civic Hosting Theme and includes other activities that meet program objectives. Approximately **32 hours** of programming should directly address the Civic Hosting Theme.
- Schedule cultural activities and events during weekends and evenings.
- Coordinate with the Center or designated Center contractor on press outreach, including sharing drafts of any press material developed for each participant group in advance with the Center or designated Center contractor, if requested, and reviewing any relevant press material developed by the Center or designated Center contractor, if requested.
- Provide Open World's logistical contractor with a final hosting report for each delegation (the post-program report), along with copies of any press articles and photographs, with accompanying captions, from the delegation's visit. Prompt delivery of final host reports is an important factor in the evaluation of grantees.

### **Schedules/Milestones**

**Grant applications are due COB Tuesday, July 6, 2004.** A list of host sites with a description of the proposed programming and preferred scheduling of visits **using dates listed in the attached hosting chart** should be included in the grant application.

Finalized programs are due one week before the participants' expected arrival date.

No travel or other activities after December 15, 2004, will be allowed unless specifically agreed to by the Center.

Periodic reports on overall programs and on the completion of individual programs will be submitted to the Center and/or American Councils by the grantee organization at mutually agreed-upon dates.



A final report on the program and hosting activities, including recommendations for future program changes, must be submitted by the grantee organization within 90 days of its final hosting activity.

All 2004 grants will end on **March 31, 2005**, unless a different date is agreed to by the Center in writing.

### **Grantee Interaction with Open World Logistical Contractor**

The Open World logistical contractor, American Councils, will provide the Center with administrative and logistical support, including assistance with (a) planning, oversight and administration of the nominations process in the participating countries, (b) visas and travel arrangements, (c) the selection of facilitators, (d) the formation of delegations, (e) the organization of a predeparture orientation, and (f) the review of delegate programs in consultation with the Center. Grantees and their local hosts will be required to work closely with American Councils and meet the deadlines in the chart below.

#### **Target Dates for Task Completion**

This chart lists major deadlines for information and document exchange between the local host and American Councils, measured from the participants' U.S. arrival date (generally two to three days before the host community arrival date).

<i><b>Deadline</b></i>	<i><b>Host Coordinator provides:</b></i>	<i><b>American Councils provides:</b></i>
<i>6 weeks before arrival</i>		<ul style="list-style-type: none"> <li>Participant Names and Profiles</li> </ul>
<i>3 weeks before arrival</i>	<ul style="list-style-type: none"> <li>Draft Program Agenda</li> </ul>	
<i>2 weeks before arrival</i>	<ul style="list-style-type: none"> <li>Host Family Contact Information and Brief Bios</li> <li>Resumé of Professional Interpreter(s)</li> </ul>	<ul style="list-style-type: none"> <li>Flight Itineraries</li> </ul>
<i>1 week before arrival</i>	<ul style="list-style-type: none"> <li>Emergency Contact Information</li> <li>Final Program Agenda</li> </ul>	
<i>2 weeks after departure</i>	<ul style="list-style-type: none"> <li>Post-program Report</li> </ul>	



## **Criteria for Evaluating Grant Applications**

All grant applications for the Open World Lithuania, Ukraine, and Uzbekistan Civic Hosting Programs will be evaluated on the following factors, listed in order of importance:

1. Past experience in hosting similar programs, especially for delegations from the country or countries covered in the application.
2. Demonstrated ability or past experience in creating programs in the Civic Hosting Themes.
3. Quality of submitted draft programs.
4. Ability to home host.
5. Ability to host on specified dates.
6. Per person costs.
7. Quality of submitted work plans.
8. For previous Open World grantees: assessments of previous hosting quality and the timeliness of local hosts' post-program reports.



## ANNEX I

### GRANT PROPOSAL OUTLINE

Proposals and budgets should be e-mailed to the Grants Officer: Aletta Waterhouse, Program Administrator, Open World Leadership Center, at [awat@loc.gov](mailto:awat@loc.gov), or faxed to the Open World Leadership Center office at (202) 252-3464. Please contact Ms. Waterhouse at (202) 707-8943 if e-mailing or faxing material is not feasible. **Do not mail or send by commercial delivery any materials without first contacting the Center.**

The Open World Leadership Center grants committee will review applications and respond no later than 14 calendar days after receipt of an application.

**All submissions must provide the following cover sheet:**

Cover Sheet:

NAME OF ORGANIZATION  
MAILING ADDRESS  
PROGRAM CONTACT – NAME AND PHONE NUMBER  
FINANCIAL/BUDGET CONTACT – NAME AND PHONE NUMBER  
FAX NUMBER

**All submissions must follow the outline below:**

**1. Project Summary** – A narrative document of no more than three double-spaced pages providing the following information:

- Estimates of your hosting capabilities, e.g., number of host communities and number of participants (delegates and facilitators) to be hosted
- Explanation of your programming capabilities, especially in the Civic Hosting Themes for which you are applying
- Descriptions of how your organization will fulfill the program objectives and requirements given above

**2. Theme to be addressed (for each theme)**

- Schedule
- Sample/illustrative activities
- Organizations/persons participating
- Objective of activity: i.e., lessons to be learned
- Resources required

**3. Summary of your organization's past experience with similar programs**



#### **4. Statements of any unique qualifications for this program**

#### **5. Written Work Plan**

**6. Budget Submission** – The budget submission is the financial expression of your program plans as a partner in the Open World Program. Therefore, your budget submission needs to reflect your administration of a program that meets the goals outlined above.

The categories of your budget justifications must be presented using the Office of Management and Budget (OMB) Standard Object Classification Title (SOC). Each SOC in your budget proposal must provide dollar amounts accompanied by a narrative justification. When preparing your budget, please keep in mind that an overage of 10 percent or more in **any** one SOC will require prior written approval from the Open World Leadership Center's Grants Officer. The SOC titles and definitions to be used for your budget submissions are as follows:

1. Personnel Compensation – Salaries and wages paid directly to your employees.
2. Personnel Benefits – Your cost associated with benefits of your employees.
3. Travel and Transportation – Obligations for travel and transportation of staff.
4. Rental Payments – Obligations for possession and use of space.
5. Rental of Equipment – Obligations for the rental of any equipment.
6. Postal Services – Obligations for postal items such as stamps, postcards, etc.
7. Utilities – Obligations for heat, light, power, water, etc.
8. Printing – Obligations for printing and reproduction.
9. Advisory and Assistance Services – Obligations for advisory and assistance services, such as translations acquired to meet your requirements under the grant.
10. Supplies – Obligations for office supplies.
11. Equipment – Obligations for property of a durable nature (i.e., computers).
12. Grants – Obligations for grants made to others by your organization.

In case your budget for any reason needs to include SOC's other than the ones listed above, please refer to the section of OMB Circular A-11 (located at <http://www.whitehouse.gov/omb/circulars/a11/2002/part2.pdf> Item 35) that pertains to object class data and definitions. Budget submissions reflecting any General and Administrative Overhead Costs must be shown as separate line items and supported by narrative justifications.



**Sample Budget Submission Entries:**

<i>OBJECT CLASSIFICATION AMOUNT</i>	<i>NARRATIVE JUSTIFICATION</i>
<i>Personnel Compensation \$0,000</i>	<i>1 Full-time project director for 3 months at \$0,000 per month.</i>
<i>Travel 0,000</i>	<i>One trip from New York to Wash, DC</i>
<i>GRAND TOTAL .....</i>	
<i>0,000</i>	

PROPOSED BY:

SIGNATURE PROGRAM OFFICER AND DATE

SIGNATURE FINANCIAL/BUDGET OFFICER AND DATE

APPROVAL:

Open World Leadership Center  
PROJECT DIRECTOR

Open World Leadership Center  
GRANTS OFFICER



## **ANNEX II**

### **Grant Administration Guidelines**

#### **1.1. Introduction**

Through its grants, the Government sponsors everything from complex multi-million dollar, multi-year scientific research and development undertakings to the creative efforts of individual young artists. As you might expect, the rules that have been developed to address all the situations likely to arise between the Government and its grantees are extensive. Working from a comprehensive set of grant principles published by the Office of Management and Budget (OMB), the Center for Russian Leadership (Center) has identified specific rules that will apply to all grantees and subrecipients of Center grants. These rules are explained below. It is important that you become familiar with these provisions and comply with them.

The Center's simplified rules are based on two OMB documents: Circular A-110, "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Learning, Hospitals and Other Non-Profit Organizations" and Circular A-122, "Cost Principles for Non-Profit Organizations." If you have any questions, or anticipate a situation not explicitly covered by these provisions, please feel free to contact the Center or to refer to the original OMB grant materials. The complete cost-principles document and both circulars are available on the [OMB website](#).

#### **1.2. Basic Grantee Responsibilities**

You have full responsibility for the conduct of project activities under a Center award, for adherence to the award conditions, and for informing the Center during the course of the grant of any significant programmatic, administrative, or financial problems that have arisen. In accepting a grant, you assume the legal responsibility of administering the grant in accordance with these requirements and of maintaining documentation, which is subject to audit, of all actions and expenditures affecting the grant. Failure to comply with the requirements of your award could result in suspension or termination of the grant and the Center's recovery of grant funds. You also assume full legal responsibility for any contracts you enter into relating to the grant program.



### **1.3. Compliance with Federal Laws**

At the time of application to the Center you must certify that your programs operate in compliance with the requirements of various federal statutes and their implementing regulations. These are described below. You are also required to obtain an executed certification of compliance with these statutes from all organizations that are subrecipients under a Center grant.

a. **Nondiscrimination.** Grants are subject to the provisions of Title VI of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972 (as amended), Section 504 of the Rehabilitation Act of 1973 (as amended), the Age Discrimination Act of 1975 (as amended), and the regulations issued pursuant thereto. Therefore, no person on grounds of race, color, national origin, disability, or age shall be excluded from participation in, be denied the benefits of, or be otherwise subject to discrimination under a program funded by the Center. In addition, if a project involves an educational activity or program, as defined in Title IX of the Education Amendments of 1972, no person on the basis of sex shall be excluded from participation in the project.

b. **Lobbying Activities.** The Byrd Anti-Lobbying Amendment, 31 U.S.C. 1352, prohibits recipients of federal contracts, grants, and loans from using appropriated funds to influence the Executive or Legislative Branches of the Federal Government in connection with a specific contract, grant, cooperative agreement, loan, or any other award covered by § 1352. 18 U.S.C. 1913 makes it a crime to use funds appropriated by Congress to influence members of Congress regarding congressional legislation or appropriations. Finally, Attachment B21 of Office of Management and Budget Circular A-122 designates the following as unallowable charges to grant funds or cost sharing: certain electioneering activities, financial support for political parties, attempts to influence federal or state legislation either directly or through grass-roots lobbying, and some legislative liaison activities.

c. **Drug-Free Workplace.** The Drug-Free Workplace Act of 1988, 41 U.S.C. 701, requires grantees to have an on-going drug-free awareness program; to publish a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace; to maintain evidence that this statement was given to each employee engaged in the performance of the grant; and to identify in the funding proposal or to keep on file in its office the place(s) where grant activities will be carried out.

d. **Debarment and Suspension.** You and your principals must not be presently debarred or suspended or otherwise excluded from or ineligible to participate in federal assistance programs. You shall provide immediate written notice to the Center Grants Office if at any time you learn that your certification was erroneous when submitted or has become erroneous by reason of changed circumstances. You shall not make or permit any subgrant or contract to any party which is debarred or suspended or is



otherwise excluded from or ineligible for participation in federal assistance programs in violation of the regulations implementing Executive Order 12549, "Debarment and Suspension."

#### **1.4. Grant Period and Extensions**

The grant period is the span of time designated in the grant award, or an amendment thereto, during which you have the authority to obligate grant funds and undertake project activities. However, when approved by the Center you may incur necessary project costs in the 90-day period prior to the beginning date of the grant period. The Center may also authorize a one-time extension of the expiration date established in the initial grant award if additional time is required to complete the original scope of the project with the funds already made available. A single extension that shall not exceed 2 months may be made for this purpose, provided it is made prior to the original expiration date. Grant periods will not be extended merely for using the unliquidated balance of project funds.

#### **1.5. Key Project Personnel**

You must identify a project director and grant administrator for the Center award. (One person may perform both roles.) The replacement of the project director or the co-director or a substantial reduction in the level of their effort, requires prior written approval from The Center. When it is specifically required as a condition of a grant, written approval will also be needed for the replacement or the substantial reduction in the level of effort of other personnel whose work is deemed by the Center to be critical to the project's successful completion. All requests for approval of changes in key project personnel shall be signed by your grant administrator and submitted to the appropriate Center Grants Officer.

#### **1.6. Changes in Project Scope**

Any project that is carried out under a grant must be consistent with the scope of the proposal that is approved for funding by the Center. The scope of a project encompasses the purpose for which the grant is undertaken, the subject matter, the treatment of the subject matter, the historical time frame of the project, the volume of material that will be studied/treated, and the products that are expected to result from grant activities. No changes may be made in the scope of a project without written approval from the Center. All requests for a change in the scope of a grant shall be signed by your grant administrator and submitted to the Center Grants Officer.



### **1.7. Organizational Prior Approval System**

Your organization is required to have written procedures in place for reviewing and approving in advance proposed administrative changes such as:

- the expenditure of project funds for items that, under the applicable cost principles, normally require prior agency approval;
- the one-time extension of a grant period;
- the incurring of project costs prior to the beginning date of an award; and
- budget revisions that involve the transfer of funds among budget categories.

a. Purpose. The procedures for approving such changes are sometimes referred to as an "organizational prior approval system." The purpose of such a system is to ensure that:

- all grant actions and expenditures are consistent with the terms and conditions of the award, as well as with the policies of the Center and your organization;
- any changes that may be made do NOT constitute a change in the scope of the project, and,
- any deviation from the budget approved by the Center is necessary and reasonable for the accomplishment of project objectives and is allowable under the applicable federal cost principles.

b. Requirements. Although you are free to design a prior approval system that suits your particular needs and circumstances, an acceptable system must at a minimum include the following:

- the procedure for review of proposed changes must be in writing;
- proposed changes must be reviewed at a level beyond the project director; and,
- whenever changes are approved, the grantee institution has to retain documentation of the approval for three years following the submission of the final financial report.

### **1.8. Activities Outside the United States**

You shall obtain the appropriate licenses, permits, or approvals prior to undertaking grant activities outside the United States. The Center does not assume responsibility for your compliance with the laws and regulations of the country in which work is to be conducted.

### **1.9. Reporting Requirements**

A final performance report and a final Financial Status Report shall be submitted to the Center within 60 days after the completion date of the grant period. Because you



will be paid on an advance basis, you are also required to submit a Federal Cash Transactions Report within 15 days of the end of each calendar month. Failure to submit reports on a timely basis may result in delayed payments.

## **ANNEX III**

### **Grant Financial Guidelines**

#### **2.1. Allowable Costs**

The reasonableness, allowability, and allocation of costs for work performed under a Center grant shall be determined in accordance with the applicable federal cost principles and the terms and conditions of the grant award. The complete official federal cost principles for non-profit organizations are included in Part IV.

a. **Pre-Award Costs.** You may include project costs incurred within the 90-calendar-day period immediately preceding the beginning date of the grant in your grant budget. Pre-award expenditures are made at your own risk and the Center is not obligated to cover your costs in the event an award is not made or is made for an amount that is less than you anticipated.

b. **Travel Costs.** Travel costs are the expenses for transportation, lodging, subsistence, and related items incurred by those who are on official business attributable to work under a grant. Such costs may be charged on an actual basis, on a per diem or mileage basis in lieu of actual costs, or on a combination of the two, provided the method used results in charges consistent with those normally allowed by your organization in its regular operation, as set forth in your written travel policy. Airfare costs in excess of the lowest available commercial discount or customary standard (coach) airfare are unallowable unless such accommodations are not reasonably available to accomplish the purpose of travel. All air travel that is paid in whole or in part with Center funds must be undertaken on U.S. air carriers unless the Center gives you prior written approval for use of non-U.S. carriers.

#### **2.2. Budget Revisions**

The project budget is the schedule of anticipated project expenditures that is approved by the Center for carrying out the purposes of the grant. When grantees or third parties support a portion of the project costs, the project budget includes the nonfederal as well as the federal share of project expenses. All requests for budget revisions shall be signed by your grant administrator and submitted to the Center. Within 14 calendar days from the date of receipt of the request for budget revision, the Center will review the request and notify you whether or not the budget revision has been approved.



You must obtain prior written approval from the Center whenever a budget revision is necessary because of:

- the transfer to a third party (by subgranting, contracting, or other means) of any work under a grant (Center approval is not required for third-party transfers that were described in the approved project plan, or for the purchase of supplies, materials, or general support services);
- the addition of costs that are specifically disallowed by the terms and conditions of the grant award;
- the transfer of funds from stipends or training allowances to other budget categories; or
- changes in the scope or objectives of the project.

### **2.3. Cost Sharing and Cost-Sharing Records**

While the Center award will fund most of your Center project activities, you are expected to share in project expenses at the level indicated in your approved project budget. You must maintain auditable records of all project costs whether they are charged to grant funds or supported by cost-sharing contributions. All cash and in-kind contributions to a project that you provide or are provided by a third party are acceptable as your cost sharing when such contributions meet the following criteria:

- Are verifiable from your records;
- Are not included as contributions for any other federally-assisted program;
- Are necessary and reasonable for the proper and efficient accomplishment of project objectives;
- Are types of charges that would be allowable under the applicable cost principles;
- Are used to support activities that are included in the approved project work plan; and
- Are incurred during the grant period.

Contributions, such as property, space, or services, that you donate to a project are to be valued in accordance with the applicable federal cost principles and not on the basis of what would normally be charged for the use of these items or services. When your cost sharing includes third-party in-kind contributions, the basis for determining the valuation of volunteer services and donated property or space must be documented and must conform to federal principles. Contact the Center for guidance if you anticipate in-kind cost sharing.



## **2.4. Payments and Interest**

You will be paid on an advance basis, unless otherwise specified in the grant award, and payment will be effected through electronic funds transfer. Whenever possible, advances should be deposited and maintained in insured accounts. You are also encouraged to use women-owned and minority-owned banks (banks that are owned at least 50 percent by women or minority group members).

a. **Payment Requests.** Requests for advance payment shall be limited to your immediate cash needs and are not to exceed anticipated expenditures for a 30-day period. Grant funds that have been paid to you but are unspent at the end of the grant period must be returned to the Center.

b. **Interest on Grant Funds.** All grantees, except states (see glossary), are required to maintain advances of federal funds in interest-bearing accounts unless the grantee receives less than \$120,000 per year in advances of grant funds or the most reasonably available interest-bearing account would not earn more than \$250 per year on the federal cash balance, or would entail bank services charges in excess of the interest earned. Interest that is earned on advanced payments shall be remitted to the Center.

## **2.5. Financial Management Standards**

Your financial management system must meet the following standards:

a. **Accounting System.** You must have an accounting system that provides accurate, current, and complete disclosure of all financial transactions related to each federally sponsored project. Accounting records must contain information pertaining to federal awards, authorizations, obligations, unobligated balances, assets, outlays, and income. These records must be maintained on a current basis and balanced at least quarterly.

b. **Source Documentation.** Accounting records must be supported by such source documentation as canceled checks, bank statements, invoices, paid bills, donor letters, time and attendance records, activity reports, travel reports, contractual and consultant agreements, and subaward documentation. All supporting documentation should be clearly identified with the grant and general ledger accounts that are to be charged or credited.

(1) The documentation required for salary charges to grants is prescribed by the cost principles applicable to the grantee organization. If you anticipate salary changes during the course of the grant, include those charges in your budget request.

(2) Formal agreements with independent contractors, such as consultants, must include a description of the services to be performed, the period of performance, the fee and method of payment, an itemization of travel and other costs that are chargeable to



the agreement, and the signatures of both the contractor and an appropriate official of the grantee organization.

c. **Third-Party Contributions.** Cash contributions to the project from third parties must be accounted for in the general ledger with other grant funds. Third party in-kind (non-cash) contributions are not required to be recorded in the general ledger, but must be under accounting control, possibly through the use of a memorandum ledger. If third party in-kind (non-cash) contributions are used on a project, the valuation of these contributions must be supported with adequate documentation.

d. **Internal Control.** You must maintain effective control and accountability for all cash, real and personal property, and other assets. You must adequately safeguard all such property and must provide assurance that it is used solely for authorized purposes. You must also have systems in place that ensure compliance with the terms and conditions of each grant award.

e. **Budget Control.** Records of expenditures must be maintained for each grant project by the cost categories of the approved budget (including indirect costs that are charged to the project), and actual expenditures are to be compared with budgeted amounts no less frequently than quarterly. Center approval is required for certain budget revisions.

f. **Cash Management.** You must also have written procedures to minimize the time elapsing between the receipt and the disbursement of grant funds to avoid having excessive federal funds on hand. Requests for advance payment shall be limited to your immediate cash needs and are not to exceed anticipated expenditures for a 30-day period. You must ensure that all grant funds are obligated during the grant period and paid no later than 60 days after the end of the grant period.

## **2.6. Record Retention and Audits**

You must retain financial records, supporting documentation, statistical records, and all other records pertinent to the grant for three years from the date of submission of the final Financial Status Report. If the three-year retention period is extended because of audits, appeals, litigation, or the settlement of claims arising out of the performance of the project, the records shall be retained until such audits, appeals, litigation, or claims are resolved. Unless court action or audit proceedings have been initiated, you may substitute microfilm copies of original records.

The Center, the Comptroller General of the United States, and any of their duly authorized representatives shall have access to any pertinent books, documents, papers, and records of your organization to make audits, examinations, excerpts, transcripts, and copies. Further, any contract in excess of the simplified acquisition threshold (currently \$100,000) that you negotiate for the purposes of carrying out the grant project shall include a provision to the effect that you, the Center, the Comptroller General, or any of



their duly authorized representatives shall have access for similar purposes to any records of the contractor that are directly pertinent to the project.

## **2.7. Equipment**

Equipment is defined as tangible, nonexpendable personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. The purchase of equipment not included in the approved project budget is allowable only if specifically approved beforehand by the Center and only when there is documentation to support that the purchase is necessary and reasonable to carry out project activities.

a. Equipment Records. Equipment records must be maintained that include the description of the equipment, the serial number or other identification number, the source of equipment, the title holder, the acquisition date, the cost of the equipment, the location, use, and condition of the equipment, and any ultimate disposition data including the date of disposal and the sale price of the equipment. A physical inventory of the equipment must be taken and the results reconciled with the equipment records at least once every two years.

b. Title to Equipment. Title to equipment purchased or fabricated with Center funds shall be vested in your organization with the understanding that the equipment will be used for the project for which it was obtained but without further obligation to the federal government. The Center reserves the right to request the transfer of title to the federal government or to a third party when the current per unit fair market value of the equipment is \$5,000 or more and the equipment is no longer needed to carry out the purposes of the project or other projects funded by government agencies.

## **2.8. Supplies**

Title to supplies and other expendable property shall vest in your organization upon acquisition. If there is a residual inventory of unused supplies exceeding \$5,000 in total aggregate value upon termination or completion of the project and the supplies are not needed for any other federally sponsored project or program, you may retain the supplies for use on non-federal sponsored activities or sell them, but shall in either case compensate the federal government for its share.

## **ANNEX IV**

### **Procurement Guidelines**

#### **3.1. Procurement Responsibility**

The standards contained in this section do not relieve you of the contractual responsibilities arising under your contracts. You are the responsible authority, without



recourse to the Center regarding the settlement and satisfaction of all contractual and administrative issues arising out of procurements entered into in support of a grant project. Matters concerning the violation of a statute are to be referred to such federal, state, or local authority as may have proper jurisdiction.

You may determine the type of procurement instrument used, e.g., fixed price contracts, cost reimbursable contracts, incentive contracts, purchase orders. The contract type must be appropriate for the particular procurement and for promoting the best interest of the program involved. The "cost-plus-a-percentage-of-cost" or "percentage of construction cost" methods shall not be used.

### **3.2. Procurement Standards**

When procuring property or services under a grant, your procurement policies must adhere to the standards set forth below. Subrecipients of grant funds are subject to the same policies and procedures as the grantee.

a. Contract Administration. You shall maintain a system for contract administration that ensures that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders. You shall evaluate contractor performance and document, as appropriate, whether or not contractors have met the terms, conditions, and specifications of the contract.

b. Ethical Standards of Conduct. You shall maintain a written standard of conduct for awarding and administering contracts. No employee, officer, or agent of your organization shall participate in the selection, or in the awarding or administration of a contract supported by federal funds if a real or apparent conflict of interest would be involved. Such a conflict would arise when any of the following has a financial or other interest in the firm selected for a contract: the employee, officer, or agent; any member of his or her immediate family; his or her partner; or an organization which employs or is about to employ any of the preceding.

Your officers, employees, and agents will neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, or parties to subagreements. However, you may set standards governing when the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct shall provide for disciplinary actions to be applied for violations of such standards by your officers, employees, or agents.

c. Open and Free Competition. All procurement transactions will be conducted in a manner to provide, to the maximum extent practical, open and free competition. You should be alert to organizational conflicts of interest or noncompetitive practices among contractors that may restrict or eliminate competition or otherwise restrain trade. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements,



statements of work, invitations for bids and/or requests for proposals should be excluded from competing for such procurements. Awards shall be made to the bidder/offeror whose bid/offer is responsive to the solicitation and is most advantageous to the grantee, price, quality, and other factors considered. Solicitations shall clearly set forth all requirements that the bidder/offeror must fulfill in order for the bid/offer to be evaluated by the grantee. When it is in the your interest to do so, any bid/offer may be rejected.

d. Small, Minority-Owned, and Women's Business Enterprises. You shall make positive efforts to assure that small businesses, minority-owned firms, and women's business enterprises are used whenever possible. Organizations receiving federal awards shall take all the steps outlined below to further this goal. This shall include:

- (1) Placing qualified small, minority and women's business enterprises on solicitation lists;
- (2) Assuring that these businesses are solicited whenever they are potential sources;
- (3) Contracting with consortiums of small, minority-owned, or women's business enterprises, when a contract is too large for one of these firms to handle individually;
- (4) Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Department of Commerce's Minority Business Development Agency; and
- (5) Considering in the contract process whether firms competing for larger contracts intend to subcontract with small businesses, minority-owned firms, and women's business enterprises.

### **3.3. Procurement Procedures**

Your organization must have formal procurement procedures. Proposed procurements are to be reviewed to avoid the purchase of unnecessary or duplicative items.

a. Solicitations. Solicitations for goods and services shall provide the following:

- (1) A clear and accurate description of the technical requirements for the material, product, or service to be procured. In competitive procurements, such a description shall not contain features that unduly restrict competition.
- (2) Requirements that the bidder/offeror must fulfill and all other factors to be used in evaluating bids or proposals.



(3) Whenever practicable, a description of technical requirements in terms of the functions to be performed or the performance required, including the range of acceptable characteristics or minimum acceptable standards.

(4) The specific features of "brand name or equal" descriptions that bidders are required to meet when such items are included in the solicitation.

(5) Preference, to the extent practical and economically feasible, for products and services that conserve natural resources, protect the environment, and are energy efficient.

b. Selecting Contractors. Contracts will be made only with responsible contractors who possess the potential ability to perform successfully under the terms and conditions of a proposed procurement. Consideration should be given to such matters as contractor integrity, the record of past performance, financial and technical resources or accessibility to other necessary resources.

(1) Some form of price or cost analysis should be made in connection with every procurement action. Price analysis may be accomplished in various ways, including the comparison of price quotations submitted, market prices and similar indicia, together with discounts. Cost analysis is the review and evaluation of each element of cost to determine reasonableness, allocability, and allowability.

(2) Procurement records and files for purchases in excess of the simplified acquisition threshold (currently \$100,000) shall include the basis for contractor selection, justification for lack of competition when competitive bids or offers are not obtained, and the basis for award cost or price.

### **3.4. Contract Provisions**

a. Contracts in Excess of \$100,000. All contracts in excess of \$100,000 established under your Center grant must provide for:

(1) Administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and such remedial actions as may be appropriate.

(2) Termination for cause and for convenience by the grantee, including the manner by which it will be effected and the basis for settlement. In addition, these contracts shall also contain a description of the conditions under which the contract may be terminated for default as well as conditions where the contract may be terminated because of circumstances beyond the control of the contractor.



(3) Access by your organization, the Center, the Comptroller General of the United States, or any other duly authorized representatives to any books, documents, papers, and records of the contractor that are directly pertinent to that specific contract for the purpose of making audit, examination, excerpts, and transcriptions.

b. Standard Clauses. All contracts, including small purchases, shall contain the following provisions as applicable:

(1) Equal Employment Opportunity. All contracts awarded by you and your contractors and subrecipients having a value of more than \$10,000 must contain a provision requiring compliance with Executive Order 11246, entitled "Equal Employment Opportunity" as amended by Executive Order 11375, and as supplemented in Department of Labor regulations (41 CFR, Part 60).

(2) Byrd Anti-Lobbying Amendment (31 U.S.C. 1352). Contractors who apply or bid for an award of \$100,000 or more must file a certification with the grantee stating that they will not and have not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant, cooperative agreement, loan, or any other award covered by 31 U.S.C. 1352. Such contractors must also disclose to the grantee any lobbying that takes place in connection with obtaining any Federal award.

(3) Debarment and Suspension (E.O. 12549 and 12689). No contracts shall be made to parties listed on the General Services Administration's Lists of Parties Excluded From Federal Procurement or Nonprocurement Programs in accordance with Executive Orders 12549 and 12689. These lists contain the names of contractors debarred, suspended, or proposed for debarment by agencies, and contractors declared ineligible under other statutory or regulatory authority other than Executive Order 12549. You must obtain a certification regarding debarment and suspension from all subrecipients and from all parties with whom they contract for goods or services when (a) the amount of the contract is \$100,000 or more, or (b) when, regardless of the amount of the contract, the contractor will have a critical influence or substantive control over the covered transaction. Such persons would be project directors and providers of federally required audit services.

### **3.5. Other Federal Guidance**

a. Buy American Act. Consistent with the Buy American Act, 41 U.S.C. 10a-c and Public Law 105-277, grantees and subrecipients who purchase equipment and products with grant funds should purchase only American-made equipment and products.



b. Welfare-to-Work Initiative. To supplement the welfare-to-work initiative, you are encouraged, whenever possible, to hire welfare recipients and to provide additional needed training and/or mentoring.



## **4. Suspension and Termination**

### **4.1. Suspension and Termination**

- a. Grants may be terminated in whole or in part:
- by the Center if you materially fail to comply with the terms and conditions of an award;
  - by the Center with your consent, in which case the two parties shall agree upon the termination conditions, including the effective date and, in the case of partial termination, the portion of the project to be terminated; or
  - by you, upon sending to the Center via fax or email written notification (followed by signed documents sent via overnight or express delivery) setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion of the project to be terminated. However, if the Center determines that the reduced or modified portion of the grant will not accomplish the purposes for which the grant was made, it may terminate the grant in its entirety either unilaterally or with your consent.

b. **Suspension or Termination for Cause.** When the Center determines that a grantee has failed to comply with the terms of the grant award, the Center may suspend or terminate the grant for cause. Normally, this action will be taken only after the grantee has been notified of the deficiency and given sufficient time to correct it, but this does not preclude immediate suspension or termination when such action is required to protect the interests of the government. In the event that a grant is suspended and corrective action is not taken within 90 days of the effective date, the Center may issue a notice of termination.

c. **Allowable Costs.** No costs that are incurred during the suspension period or after the effective date of termination will be allowable except those that are specifically authorized by the suspension or termination notice or those that, in the opinion of the Center, could not have been reasonably avoided.

d. **Report and Accounting.** Within 30 days of the termination date, you shall furnish to the Center a summary of progress achieved under the grant, an itemized accounting of charges incurred against grant funds and cost sharing prior to the effective date of the suspension or termination, and a separate accounting and justification for any costs that may have been incurred after this date.

### **4.2. Termination Review Procedures**



If you have received a notice of termination, you may request review of the termination action. Your request for review must be sent via overnight or express delivery no later than 30 days after the date of the termination notice and should be addressed to the Chairman of the Board, Center for Russian Leadership Development, Library of Congress, 101 Independence Ave., S.E., Washington, DC 20540-9980, with a copy sent via overnight or express delivery to the Inspector General, Library of Congress, 101 Independence Ave., S.E., Washington, DC 20540-1060.

Your request for review must contain a full statement of your position and the pertinent facts and reasons supporting it. Your request will be acknowledged promptly, and a review committee of at least three individuals will be appointed. Pending the resolution of the review, the notice of termination will remain in effect.

None of the review committee members will be among those individuals who recommended termination or were responsible for monitoring the programmatic or administrative aspects of your grant. The committee will have full access to all relevant Center background materials. The committee may also request the submission of additional information from you or from Center staff and, at its discretion, may meet with representatives of both groups to discuss the pertinent issues. All review activities will be fully documented by the committee. Based on its review, the committee will present its written recommendation to the Chairman of the Board of the Center who will advise the parties concerned of the final decision.

## **5. Glossary of Terms**

**Cash Contributions** - The cash outlay for budgeted project activities, including the outlay of money contributed to the grantee by third parties.

**Cost Sharing** - The portion of the costs of a project not charged to the Center funds. This would include cash contributions (as defined above) as well as the value of third-party in-kind contributions.

**Debarment** - The ineligibility of a grantee to receive any assistance or benefits from the federal government, either indefinitely or for a specified period of time, based on legal proceedings taken pursuant to agency regulations implementing Executive Order 12549.

**Equipment** - Tangible, non-expendable personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit.

**Federally Recognized Tribal Government** - The governing body or a governmental agency of any Indian tribe, Indian band, nation, or other organized group or community certified by the Secretary of the Interior as eligible for the special programs and services provided through the Bureau of Indian Affairs.



**Grant** - A legal instrument that provides financial assistance in the form of money or property to an eligible recipient. The term includes cooperative agreements but it does not apply to technical assistance which provides services instead of money, or other assistance in the form of revenue sharing, loans, loan guarantees, interest subsidies, insurance, or direct appropriations. The term does not include fellowships or other lump sum awards, for which the recipient is not required to provide a financial accounting.

**Grant Period** - The period established in the grant award during which the Center activities and expenditures are to occur. Grant periods begin on the first day of the month and end on the last day of the month.

**Grantee** - The organization to which a grant is awarded and which is accountable for the use of the funds provided.

**In-Kind Contributions** - The value of noncash contributions provided by third parties. In-kind contributions may be in the form of charges for real property and equipment or the value of goods and services directly benefitting and specifically identifiable to the project.

**Institutional Grant Administrator** - The member of the grantee organization who has the official responsibility for administering the grant, e.g., for negotiating budget revisions, overseeing the submission of required reports, ensuring compliance with the terms and conditions of the grant.

**Intangible Property** - Includes, but is not limited to, trademarks; copyrights; patents and patent applications.

**Local Government** - A county, municipality, city, town, township, local public authority, school district, special district, intrastate district, council of government, any other regional or interstate government entity, or any agency or instrumentality of a local government.

**Obligation** - The amounts of orders placed, contracts and grants awarded, goods and services received, and similar transactions during the grant period that will require payment.

**Grants Officer** - The Center division staff member designated in the section of the grant award entitled "Endowment Administration of the Award."

**Program Income** - Money that is earned or received by a grantee or a subrecipient from the activities supported by grant funds or from products resulting from grant activities. It includes, but is not limited to, income from fees for services performed and from the sale of items fabricated under a grant; usage or rental fees for equipment or property acquired under a grant; admission fees; broadcast or distribution rights; and royalties on patents and copyrights.



Project Funds - Both the federal and non-federal funds that are used to cover the cost of budgeted project activities.

Simplified Acquisition Threshold - This term replaces "small purchase threshold," and the threshold is currently set at \$100,000 [41 U.S.C. 403 (11)].

State - Any of the several states of the United States, the District of Columbia, the Commonwealth of Puerto Rico, any territory or possession of the United States, or any agency or instrumentality of a state exclusive of local governments, institutions of higher education, and hospitals.

Subgrant - An award of financial assistance in the form of money or property, made under a grant by a grantee to an eligible subrecipient or by a subrecipient to a lower-tier subrecipient. The term includes financial assistance which is provided by any legal agreement, even if the agreement is called a contract, but it does not include the procurement of goods and services nor does it include any form of assistance that is excluded from the definition of a "grant."

Subrecipient - The legal entity to which a subgrant is awarded and which is accountable to the grantee for the use of the funds provided.

Supplies - All personal property excluding equipment and intangible property, as defined in this glossary.

Suspension -

(1) The suspension of a grant is the temporary withdrawal of federal sponsorship. This includes the withdrawal of authority to incur expenditures against grant funds, pending corrective action, or a decision to terminate the grant.

(2) The suspension of an individual or organization causes that party to be temporarily ineligible to receive any assistance and benefits from the federal government pending completion of investigation and legal proceedings as prescribed under agency regulations implementing Executive Order 12549. Such actions may lead to debarment of the grantee.

Termination - Cancellation of federal sponsorship of a project, including the withdrawal of authority to incur expenditures against previously awarded grant funds before that authority would otherwise expire.



## **PART IV – Cost Principles**

### **1.1. Introduction**

OMB Circular A-122 “Cost Principles for Non-Profit Organizations” is a comprehensive explanation of which costs are allowable under a Government grant, how to determine whether a cost is reasonable, and how direct and indirect costs should be allocated. To avoid confusion that might arise from rewriting (and possibly oversimplifying) the standard text, please refer to the official OMB cost principles document. You may obtain a paper copy from the Center’s office or read the full text online at [OMB’s website](#)

### **1.2. Basic Definitions**

Attachment A to the Circular describes

a. Allowable Costs. To be allowable under an award, costs must meet the following general criteria:

- (1) Be reasonable for the performance of the award and be allocable thereto under these principles.
- (2) Conform to any limitations or exclusions set forth in these principles or in the award as to types or amount of cost items.
- (3) Be consistent with policies and procedures that apply uniformly to both federally financed and other activities of the organization.
- (4) Be accorded consistent treatment.
- (5) Be determined in accordance with generally accepted accounting principles.
- (6) Not be included as a cost or used to meet cost sharing or matching requirements of any other federally-financed program in either the current or a prior period.
- (7) Be adequately documented.

b. Reasonable Costs. A cost is reasonable if, in its nature or amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the



costs. In determining the reasonableness of a given cost, consideration shall be given to:

- (1) Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the organization or the performance of the award.
  - (2) The restraints or requirements imposed by such factors as generally accepted sound business practices, arms length bargaining, Federal and State laws and regulations, and terms and conditions of the award.
  - (3) Whether the individuals concerned acted with prudence in the circumstances, considering their responsibilities to the organization, its members, employees, and clients, the public at large, and the Federal Government.
  - (4) Significant deviations from the established practices of the organization that may unjustifiably increase the award costs.
- c. Allocable Costs. A cost may be allocated to your grant in accordance with the relative benefits received. A cost is allocable to a Federal award if it is treated consistently with other costs incurred for the same purpose in like circumstances and if it:
- (1) Is incurred specifically for the award.
  - (2) Benefits both the award and other work and can be distributed in reasonable proportion to the benefits received, or
  - (3) Is necessary to the overall operation of the organization, although a direct relationship to any particular cost objective cannot be shown.
  - (4) Any cost allocable to a particular award or other cost objective under these principles may not be shifted to other Federal awards to overcome funding deficiencies, or to avoid restrictions imposed by law or by the terms of the award.

### **1.3. Potential Costs**

Attachment B to the OMB Circular describes 56 types of costs and explains when they are allowable and when they are not. Some of the potential costs covered by the Circular are not relevant to Center projects. Please note that costs marked with an “X” in the list below are **never** allowable and must not be included in your budget for Center activities or in your requests for payment. Other costs on the list may be unallowable in



certain circumstances. Please refer to the Circular for explanations and contact the Center if you have any questions.

- |   |     |  |
|---|-----|--|
|   | 1.  | Advertising and public relations costs   |
| X | 2.  | Alcoholic beverages  |
| X | 3.  | Bad debts  |
|   | 4.  | Bid and proposal costs (reserved)  |
|   | 5.  | Bonding costs  |
|   | 6.  | Communication costs  |
|   | 7.  | Compensation for personal services   |
| X | 8.  | Contingency provisions   |
| X | 9.  | Contributions and donations to others  |
|   | 10. | Defense and prosecution of criminal and civil proceedings, claims, appeals and patent infringement |
|   | 11. | Depreciation and use allowances  |
|   | 12. | Donations to the grant project   |
|   | 13. | Employee morale, health, and welfare costs and credits   |
| X | 14. | Entertainment costs  |
|   | 15. | Equipment and other capital expenditures   |
| X | 16. | Fines and penalties  |
|   | 17. | Fringe benefits  |
| X | 18. | Goods or services for personal use   |
| X | 19. | Housing and personal living expenses for your organization's employees                             |
|   | 20. | Idle facilities and idle capacity  |
|   | 21. | Independent research and development (reserved)  |
|   | 22. | Insurance and indemnification  |
| X | 23. | Interest, fund raising, and investment management costs  |
|   | 24. | Labor relations costs  |
| X | 25. | Lobbying   |
|   | 26. | Losses on other awards   |
|   | 27. | Maintenance and repair costs   |
|   | 28. | Materials and supplies   |
|   | 29. | Meetings and conferences   |
|   | 30. | Memberships, subscriptions, and professional activity costs  |
| X | 31. | Organization costs   |
|   | 32. | Overtime, extra-pay shift, and multi-shift premiums  |
|   | 33. | Page charges in professional journals  |
|   | 34. | Participant support costs  |
|   | 35. | Patent costs   |
|   | 36. | Pension plans  |
|   | 37. | Plant security costs   |
|   | 38. | Pre-award costs  |
|   | 39. | Professional service costs   |
|   | 40. | Profits and losses on disposition of depreciable property or other capital assets                  |



- 41. Publication and printing costs
- 42. Rearrangement and alteration costs
- 43. Reconversion costs
- 44. Recruiting costs
- 45. Relocation costs
- 46. Rental costs
- 47. Royalties and other costs for use of patents and copyrights
- 48. Selling and marketing
- 49. Severance pay
- 50. Specialized service facilities
- 51. Taxes
- 52. Termination costs
- 53. Training and education costs
- 54. Transportation costs
- 55. Travel costs
- 56. Trustees



## PLANNED 2004 HOSTING DATES- LITHUANIA, UKRAINE AND UZBEKISTAN

<u>US Arrival Date</u>	<u>US Arrival Day</u>	<u>Host Arrival Date</u>	<u>Host Arrival Day</u>	<u>Departure Date</u>	<u>Departure Day</u>	<u>Planned Capacity</u>	<u>Country</u>	<u>Themes</u>
<b>25-Aug</b>	Wednesday	27-Aug	Friday	4-Sep	Saturday	50	Ukraine	Independent Media, Electoral Processes and NGO Development
					<b>Aug. Total:</b>	<b>50</b>		
<b>1-Sep</b>	Wednesday	3-Sep	Friday	11-Sep	Saturday	50	Lithuania	All Themes
					<b>Sep. Total:</b>	<b>50</b>		
<b>7-Oct</b>	Thursday	9-Oct	Saturday	17-Oct	Sunday	50	Uzbekistan	All Themes
					<b>Oct. Total:</b>	<b>50</b>		
<b>1-Dec</b>	Wednesday	3-Dec	Friday	11-Dec	Saturday	50	Ukraine	RoL and Independent Media, Electoral Processes or NGO Development
					<b>Dec Total:</b>	<b>50</b>		
					<b>Year Grand Total:</b>	<b>200</b>		

Oct 31 Ukrainian Presidential Election